

Thank you very much for taking out time and participating in the experiment. All the decisions that you take during the experiment and your performance will not be shared with anyone. The data collected through the experiment will be used only for the purpose of research.

The experiment is spread over 60 minutes. You are not allowed to communicate with each other. You will be given a participation fee of 300 rupees. During the experiment, based on how many tasks you complete, you will be paid additional money.

If anyone is found talking to someone else, he or she will be disqualified from the experiment. Kindly work on your own and if you have any question raise your hand. The experimenter will come to you to answer your questions. Only relevant questions will be answered. Use of mobile phones and calculator is strictly prohibited.

During the experiment you are given 2 types of tasks. Solving difficult tasks takes more time than the easy task. Difficult task is addition of 3 digit numbers while the easy task is addition of 2 digit numbers. Following examples will make these tasks clear.

Easy Task

$$19+58= ?$$

Difficult task

$$219+833= ?$$

Experiment is divided into 15 rounds. The time for each round is 30 seconds. In total you will be having 7.5 minutes for the 15 rounds. You can solve as many tasks as you want in each round.

For the first 12 rounds you are not allowed to choose the easy or difficult task. The computer will assign these to you.

For the rounds 13 to 15, you can choose either easy or difficult task.

For rounds 1 to 6 (first 6 rounds), the piece rate (wage for each completed task) will vary in each round. You can earn from 0.45 rupees to 2.5 rupees per task completed correctly irrespective of the difficulty level of the task. You can solve as many tasks as you want in each round.

Earnings in Round x = Piece rate* Number of correctly completed tasks in round x

For rounds 7 to 15, for each easy and difficult task completed correctly, you will be paid 3 rupees. But there will a tax deducted from your earnings. Your earning function for round 7 to 15 is as follows.

Earnings in Round $y = 10 * \text{Number of correctly completed Tasks in Round } y * (1 - \text{Tax Rate})$

The above-mentioned earning function will be calculated for each of the last 9 rounds.

Suppose you are in 7th round and suppose tax rate in 7th round is 50%. Suppose you solved 10 tasks. So your earnings will be as follows.

Earnings in Round 7 = $10 * 3 * (1 - 0.5)$

Earnings in Round 7 = 15 rupees

The tax rate will vary in all of the last 9 rounds. There will be no set pattern about the increase or decrease in the tax rate. The probability of increase and decrease in tax rate will be equal through all the last 9 rounds.

You can either choose to solve the tasks during the last 9 rounds or skip any round if you want. If you want to skip any round, you can press the button displayed on the bottom of the screen at the beginning of the round and in turn can earn 5 rupees for each round that you skip. There will be no tax deducted from your earnings for the round you choose to skip. If you skip any round, please wait for 1 minute for the next round to start.

The cumulative money for all the 15 rounds will be given at the end of the experiment along with the fixed participation fee of 300 rupees in a sealed envelope.

Hope you have good time!